



COLLEGE OF BUSINESS

NEW VENTURE CREATION

MGT-709

Fall, 2009

Monday, 7:00pm-9:45pm, BEH111

Instructor: Prof. Steven E. Phelan, Ph.D. Office: BEH307

Email: steven.phelan@unlv.edu Home page: <http://faculty.unlv.edu/phelan>

Office Hours: Monday 5:00-7:00pm

Course Description

The goal of the New Venture Creation course is to take students from the idea stage to the startup of a new venture. The Managing Entrepreneurial Organizations course examines the growth phase of a company from startup to exit (often in the form of an IPO or acquisition). It is recommended that students take the New Venture Creation course before taking Managing Entrepreneurial Organizations.

The key output from the course will be a business plan for a new venture that can be taken to investors for funding. The plan will be assessed on two criteria – attractiveness of the opportunity and viability of execution. The business plan will also be eligible for entry into the 2009 Donald W. Reynolds Governor's Cup – a statewide business plan competition for Nevada college students with a \$25,000 first prize. Students are strongly encouraged to make the plan as realistic as possible.

The course also relies heavily on case studies (10 in total), which document a wide range of entrepreneurial situations and experiences. While nothing can replace the experience of learning by doing, social learning (learning from others) can also help to foster the diffusion of best practices and the avoidance of costly errors.

Course Materials

- Timmons, J.A. & Spinelli, S. (2007) *New Venture Creation: Entrepreneurship for the 21st Century* (7th edition). McGraw Hill.
- Harvard Readings & Cases
<http://cb.hbsp.harvard.edu/cb/access/4458256>

Course Assessment

Plan Presentation	20%
Online Discussion	20%
Feasibility Presentation	20%
Business Plan Document	40%

COURSE SYNOPSIS

Week	Date	Topic	Text	Case/Reading
Week 1	8//24	Myths		Shane
Week 2	8/31	Ideas & Opportunities	4	R&R Adams Effectuation
Week 3	9/7	<i>Labor day recess</i>		
Week 4	9/14	Screening Venture Opportunities <i>(Elevator Pitches)</i>	5	Dragon's Den Eastwind
Week 5	9/21	The Business Model	Readings	Zipcar
Week 6	9/28	The Business Plan	6	Sample b-plans
Week 7	10/5	Legal & Ethical Issues	9	Allen Lane
Week 8	10/12	Reaching the Customer		Icebreaker
Week 9	10/19	Feasibility Plan Presentations		
Week 10	10/26	New Venture Team	8	NanoGene
Week 11	11/2	Resource Acquisition	10	Keurig
Week 12	11/9	Entrepreneurial Finance	12 & 13	Walnut (A)
Week 13	11/16	The Deal	14 & 15	Walnut (D)
Week 14	11/23	Final Workshop		
Week 15	11/30	Business Plan Presentations		
Week 16	12/7	Business Plan Presentations (if required)		

ASSESSMENT DETAILS

Online Discussion (20%)

A weekly topic will be created on the Webcampus discussion boards to discuss the week's reading and cases BEFORE class. A maximum of 3% of the final grade will be awarded each week. A maximum of 20% can be earned via these discussions over the course of the semester. My expectations are that your comments will be interesting, original, and insightful. Most of all I am interested in a demonstration of *intellectual curiosity*. I am thus seeking quality over quantity.

The grading scale for each week will be:

- 3% Exceeded expectations
- 2% Met expectations
- 1% Needs improvement
- 0% Huh?!?

One indication of the quality of your comments will be the number of replies to your original (and subsequent) posts. The discussions may also be printed out and brought to class to stimulate discussion there.

Feasibility Presentation (20%)

In Week 8, you will have 15 minutes to present your preliminary plan to the class for feedback. Your grade will depend on your level of preparation and the professionalism of your presentation. Note that you are *not* required to have developed a full-blown business plan at this stage (but you should have attempted to validate your concept with at least 20 potential customers). Your presentation should cover the first four bullet points of the full plan presentation below. Allow 10 minutes for presentation and 5 minutes for feedback.

Plan Presentation (20%)

In Weeks 15 and 16, your team will have 30 minutes to present a plan to a panel of academics, entrepreneurs, and venture capitalists. You should allow 20 minutes for your presentation and 10 minutes for questions and answers. You should discuss:

- The product. Discuss how your idea creates a differentiated product/service offering with regards to your existing and potential competition.
- The market. Provide a clear articulation of the market need and how the product/service offering meets those needs, including the percentage market share that can be sustained and the projected annual market growth. Provide market verification that your proposed product/service offering is attractive to your market segment (i.e. feedback from 2- 3 actual customers that are representative of your targeted segment). Discuss how you will attract customers to your product.
- Operations. Describe your sourcing, ordering, and distribution systems and how they are capable of offering the services that your customers demand in a cost effective and scalable way.

- Finances. Present financial statements including cash flows that demonstrate the ability to produce earnings (positive net income) within three to five years (if not earlier) with some kind of regularity. Calculate the NPV of your venture.
- Team. Be prepared to discuss the top management team, organizational structure and culture, and hiring requirements, particularly in the top management team.
- Milestones. Discuss the milestones to be met over the next 12 months including revenue targets, new customer accounts, and internal goals such as hiring the required staff levels
- Investment. Describe the amount of money you require from investors in the form of debt and/or equity and the amount of cash that will be raised from other sources. Describe what you intend to do with the investment (i.e. Market development, purchase equipment, staffing..etc) and the cost of funds.

Business Plan (40%)

The business plan should be delivered no later than the end of Week 16 and should be no longer than 25 pages (excluding appendices).

The report should use the following format:

- Executive Summary
- Description of Proposed Product or Service Offering
- Market & Competitive Analysis
- Marketing and Sales Plan
- Operational and Technological Issues (including sourcing and distribution)
- Human Resources Plan (including team, structure, culture, policies)
- Finance
- Bibliography
- Appendices

The plan will be evaluated according to the judging rubric that can be found on my website or under student resources on Webcampus. The key metric is viability – do the judges think that you will be able to achieve your stated goals. Everything else being equal, judges also prefer more ambitious plans to less ambitious plans (i.e. a chain of supermarkets rather than one supermarket).

ADDITIONAL COURSE POLICIES:

Academic Misconduct – “Academic integrity is a legitimate concern for every member of the campus community; all share in upholding the fundamental values of honesty, trust, respect, fairness, responsibility and professionalism. By choosing to join the UNLV community, students accept the expectations of the Academic Misconduct Policy and are encouraged when faced with choices to always take the ethical path. Students enrolling in UNLV assume the obligation to conduct themselves in a manner compatible with UNLV’s function as an educational institution.”

An example of academic misconduct is plagiarism: “Using the words or ideas of another, from the Internet or any source, without proper citation of the sources.” See the “Student Academic Misconduct Policy” (approved December 9, 2005) located at: <http://studentlife.unlv.edu/judicial/misconductPolicy.html>.

Copyright – The University requires all members of the University Community to familiarize themselves and to follow copyright and fair use requirements. **You are individually and solely responsible for violations of copyright and fair use laws. The university will neither protect nor defend you nor assume any responsibility for employee or student violations of fair use laws.** Violations of copyright laws could subject you to federal and state civil penalties and criminal liability, as well as disciplinary action under University policies. To familiarize yourself with copyright and fair use policies, you are encouraged to visit the following website: <http://www.unlv.edu/committees/copyright/>.

Disability Resource Center (DRC) – It is important to know that over two-thirds of the students in the DRC reported that this syllabus statement, often read aloud by the faculty during class, directed them to the DRC office.

The Disability Resource Center (DRC) coordinates all academic accommodations for students with documented disabilities. The DRC is the official office to review and house disability documentation for students, and to provide them with an official Academic Accommodation Plan to present to the faculty if an accommodation is warranted. Faculty should not provide students accommodations without being in receipt of this plan.

UNLV complies with the provisions set forth in Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, offering reasonable accommodations to qualified students with documented disabilities. If you have a documented disability that may require accommodations, you will need to contact the DRC for the coordination of services. The DRC is located in the Student Services Complex (SSC), Room 137, and the contact numbers are: Voice (702) 895-0866, TDD (702) 895-0652, fax (702) 895-0651. For additional information, please visit: <http://studentlife.unlv.edu/disability/>.

Religious Holidays Policy -- Any student missing class quizzes, examinations, or any other class or lab work because of observance of religious holidays shall be given an opportunity during that semester to make up missed work. The make-up will apply to the religious holiday absence only. It shall be the responsibility of the student to notify the instructor no later than the last day at late registration of his or her intention to participate in religious holidays which do not fall on state holidays or periods of class recess. This policy shall not apply in the event that administering the test or examination at an alternate time would impose an undue hardship on the instructor or the university which could not be avoided. <http://catalog.unlv.acalog.com/content.php?catoid=1&navoid=44&bc=1>

Tutoring -- The Academic Success Center (ASC) provides tutoring and academic assistance for all UNLV students taking UNLV courses. Students are encouraged to stop by the ASC to learn more about subjects offered, tutoring times and other academic resources. The ASC is located across from the Student Services Complex, #22 on the

current UNLV map. Students may learn more about tutoring services by calling (702) 895-3177 or visiting the tutoring web site at: <http://academicsuccess.unlv.edu/tutoring/>

UNLV Writing Center – *The following statement is recommended for inclusion in course syllabi:*

One-on-one or small group assistance with writing is available free of charge to UNLV students at the Writing Center, located in CDC-3-301. Although walk-in consultations are sometimes available, students with appointments will receive priority assistance.

Appointments may be made in person or by calling 895-3908. The student's Rebel ID Card, a copy of the assignment (if possible), and two copies of any writing to be reviewed are requested for the consultation. More information can be found at: <http://writingcenter.unlv.edu/>